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# ROBINSON COTTON MILLS LIMITED



## *Forty-Eighth Annual Report*

Year ended December Thirty-First

*1971*



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# ROBINSON COTTON MILLS LIMITED

TO THE SHAREHOLDERS

The Directors present herewith the 48th Annual Report of your Company and the Financial Statements for the fiscal year ended December 31, 1971.

Your attention is directed to the Auditors Report and to the various notes accompanying the Financial Statements.

On Behalf of the Board,

W. H. ROBINSON  
*President and Managing Director*

May 2, 1972



# ROBINSON

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## ASSETS

|                                                            | 1971                    | 1970                    |
|------------------------------------------------------------|-------------------------|-------------------------|
| <b>CURRENT ASSETS</b>                                      |                         |                         |
| Cash and short-term deposit.....                           | \$ 5,878                | \$ 93,636               |
| Accrued interest receivable.....                           | 1,899                   | 2,167                   |
| Principal due within one year on mortgages receivable..... | 26,000                  | 99,000                  |
|                                                            | <u>33,777</u>           | <u>194,803</u>          |
| <br><b>MORTGAGES RECEIVABLE</b>                            |                         |                         |
| 7%, maturing March 15, 1973.....                           | 93,000                  | 95,000                  |
| 9%, maturing February 1, 1980.....                         | 454,000                 | 553,000                 |
|                                                            | <u>547,000</u>          | <u>648,000</u>          |
| Less principal included in current assets.....             | 26,000                  | 99,000                  |
|                                                            | <u>521,000</u>          | <u>549,000</u>          |
|                                                            | <u><u>\$554,777</u></u> | <u><u>\$743,803</u></u> |

APPROV

W. W. ROBINSON, *Director*

AUDI

To the Shareholders of

ROBINSON COTTON MILLS LIMITED

We have examined the balance sheet of Robinson Cotton Mills Limited and application of funds for the year then ended. Our examination included other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position and application of its funds for the year then ended, in accordance with the preceding year.

Toronto, Canada

January 27, 1972

## res at December 31, 1970)

THORNE, GUNN, HELLIWELL & CHRISTENSON  
Chartered Accountants



# ROBINSON COTTON MILLS LIMITED

## STATEMENT OF INCOME Year Ended December 31, 1971 (with comparative figures for 1970)

|                                                         | 1971      | 1970      |
|---------------------------------------------------------|-----------|-----------|
| Revenue from operations.....                            |           | \$ 44,124 |
| Interest earned.....                                    | \$ 50,533 | 57,535    |
|                                                         | ✓ 50,533  | ✓ 101,659 |
| Expenses.....                                           | 13,256    | 54,999    |
| Income before income taxes and extraordinary items..... | 37,277    | 46,660    |
| Income taxes.....                                       | 6,370     | 14,489    |
| Income before extraordinary items.....                  | ✓ 30,907  | ✓ 32,171  |
| Extraordinary items (note 4).....                       |           | 178,618   |
| NET INCOME FOR THE YEAR.....                            | \$ 30,907 | \$210,789 |
| Earnings per share                                      |           |           |
| Income before extraordinary items.....                  | ✓ \$ .20  | ✓ \$ .21  |
| Extraordinary items.....                                |           | \$1.19    |
| Net income for the year.....                            | \$ .20    | \$1.40    |

## STATEMENT OF RETAINED EARNINGS Year Ended December 31, 1971 (with comparative figures for 1970)

|                                   | 1971      | 1970      |
|-----------------------------------|-----------|-----------|
| Balance at beginning of year..... | \$212,786 | \$ 1,997  |
| Net income for the year.....      | 30,907    | 210,789   |
| Balance at end of year.....       | \$243,693 | \$212,786 |

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS Year Ended December 31, 1971 (with comparative figures for 1970)

|                                                                                              | 1971      | 1970       |
|----------------------------------------------------------------------------------------------|-----------|------------|
| SOURCE OF FUNDS                                                                              |           |            |
| Income before extraordinary items.....                                                       | \$ 30,907 | \$ 32,171  |
| Refund of pension plan contributions less<br>income taxes currently payable of \$32,111..... |           | 28,011     |
| Reduction in non-current portion of mortgages receivable.....                                | 28,000    | 123,000    |
|                                                                                              | 58,907    | 183,182    |
| APPLICATION OF FUNDS                                                                         |           |            |
| Upon sale of fixed assets                                                                    |           |            |
| Income taxes currently payable.....                                                          |           | 104,684    |
| Legal and commission fees.....                                                               |           | 33,222     |
|                                                                                              |           | 137,906    |
| Deduct cash payment.....                                                                     |           | 25,000     |
|                                                                                              |           | 112,906    |
| INCREASE IN WORKING CAPITAL POSITION.....                                                    | 58,907    | 70,276     |
| WORKING CAPITAL DEFICIENCY AT BEGINNING OF YEAR.....                                         | 44,214    | 114,490    |
| WORKING CAPITAL (DEFICIENCY) AT END OF YEAR.....                                             | \$ 14,693 | \$(44,214) |

# ROBINSON COTTON MILLS LIMITED

## NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 1971

### 1. FIXED ASSETS

On February 1, 1970 the company sold its land, building and equipment for \$600,000 payable \$25,000 in cash and the balance by a 9%, 10 year first mortgage receivable as follows:

- (1) \$ 2,000 per month on principal plus interest
  - (2) \$75,000 on principal before February 1, 1971 (since received)
  - (3) Balance of principal due on maturity
- (See Note 4)

### 2. PENSION PLAN

On August 4, 1970 the Department of National Revenue accepted an amendment to the company's group annuity policy with the Sun Life Assurance Company of Canada which provided for the plan to be wound up and paid-up policies issued to all participating employees. After all benefits were provided and the terms of the policy met, \$60,122 was returned to the company. (see note 4)

### 3. LOAN FROM DIRECTOR

By reason of a demand made by Canadian Imperial Bank of Commerce, W. W. Robinson, one of the guarantors of a bank loan made to the company in November 1964, took over the position of such bank. The loan carries interest at current bank rates.

### 4. EXTRAORDINARY ITEMS

|                                                     |               |                  |
|-----------------------------------------------------|---------------|------------------|
| Net gain on sale of fixed assets (note 1) .....     |               | \$245,468        |
| Income taxes                                        |               |                  |
| Current .....                                       | \$104,684     |                  |
| Deferred (reduction) .....                          | (9,823)       | 94,861           |
|                                                     |               | <u>150,607</u>   |
| Refund of pension plan contributions (note 2) ..... | 60,122        |                  |
| Income taxes .....                                  | <u>32,111</u> | <u>28,011</u>    |
|                                                     |               | <u>\$178,618</u> |

### 5. OTHER STATUTORY INFORMATION

Direct remuneration of directors and senior officers (as defined by The Business Corporations Act, 1970) amounted to \$6,800 (1970, \$11,500).



# ROBINSON COTTON MILLS LIMITED

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ANNUAL REPORT  
for the  
Year ended December 31, 1971

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## BOARD OF DIRECTORS

|                |                |
|----------------|----------------|
| W. W. ROBINSON | W. H. ROBINSON |
| R. G. ROBINSON | W. W. BURKART  |

## OFFICERS

|                       |           |                                        |
|-----------------------|-----------|----------------------------------------|
| W. W. ROBINSON        | - - - - - | <i>Chairman</i>                        |
| W. H. ROBINSON        | - - - - - | <i>President and Managing Director</i> |
| W. W. BURKART         | - - - - - | <i>Vice-President</i>                  |
| JOHN F. PERRETT, Q.C. | - - - - - | <i>Secretary</i>                       |

## BANKERS

THE CANADIAN IMPERIAL BANK OF COMMERCE

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## TRANSFER AGENTS AND REGISTRARS

NATIONAL TRUST COMPANY LIMITED

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## AUDITORS

THORNE, GUNN, HELLIWELL & CHRISTENSON

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## SOLICITORS

ROBERTSON, LANE, PERRETT, FRANKISH AND ESTEY